

RESCINDING CERTAIN BUDGET AUTHORITY, AND FOR
OTHER PURPOSES

FEBRUARY 10, 1995.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. LIVINGSTON, from the Committee on Appropriations,
submitted the following

REPORT

[To accompany H.R. 845]

The Committee on Appropriations to whom was referred H.R. 845, rescinding certain budget authority, and for other purposes, report the same to the House without amendment and with the recommendation that the bill be passed.

RECOMMENDATIONS

Overall, the bill as recommended by the Committee rescinds \$1,402,140,000 of previously appropriated budget authority.

BILL SUMMARY

The Committee has reported this bill that rescinds \$1,402,140,000 in budget authority. This budget authority more than offsets the Emergency Supplemental Appropriations and Rescissions for the Department of Defense To Preserve and Enhance the Military Readiness Act that the Committee has also reported. The Committee is taking this action even though the Department of Defense requirements are emergency requirements and, as such, do not require offsetting. In order to continue to make important progress in getting the country's fiscal house in order we are recommending this companion rescission bill along with the Department of Defense bill, and we recommend that this bill move forward to floor consideration with the Department of Defense bill so that this linkage can be maintained.

The rescissions included in the bill fall into several categories. The first is low priority defense and international affairs activities that should be rescinded in order to provide for the higher priority

activities in the companion Department of Defense bill. Because the unbudgeted defense activities relate in part to peacekeeping actions undertaken around the world, the Committee feels that identifying other lower priority international activities is an appropriate source to provide defense offsets. Another category is unobligated balances that are not going to be needed during this fiscal year. Some of these balances are the result of a lack of authorization. A third category is lower priority programs. The President has included some of these in his fiscal year 1996 budget request. The final category is investment initiatives. While initiatives are important, offsetting emergency requirements means that the amount of the initiative increase has to be scaled back. It is in these categories that the Committee developed this bill.

CHAPTER I

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES

DEPARTMENT OF JUSTICE

IMMIGRATION AND NATURALIZATION SERVICE

IMMIGRATION EMERGENCY FUND

The Committee recommends a rescission of \$70,000,000 of the \$75,000,000 appropriated in Public Law 103-317 for the Immigration Emergency Fund. At the time that bill was under consideration, the possibility of an immigration emergency due to events in Haiti and Cuba seemed large. As a result, the Committee provided a large appropriation of \$75,000,000, compared to an appropriation of \$6,000,000 in fiscal year 1994 and no appropriation in fiscal year 1993.

These funds now do not appear to be required and could be put to better use as an offset to the incremental costs incurred by the Defense Department in its operation in Haiti. After this rescission, \$5,000,000 will remain in the account, which, together with unobligated balances from previous years, should be more than adequate for any unforeseen circumstances at this time. According to the Justice Department, no funds have been spent out of this account in the last 5 years.

DEPARTMENT OF COMMERCE

NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY

INDUSTRIAL TECHNOLOGY SERVICES

The Committee recommends a rescission of \$107,000,000 from the amounts provided for fiscal year 1995 for the Advanced Technology Program (ATP) under the National Institute of Standards and Technology, Industrial Technology Services appropriation account. The ATP was funded at \$431,000,000 for fiscal year 1995 and \$199,489,000 for fiscal year 1994. The purpose of the ATP is to provide assistance to U.S. businesses and joint research and development ventures to help accelerate the commercialization of high-risk technologies. The Committee is concerned about the rapid

growth in ATP funding over the past 2 years (a 535 percent increase in funding since fiscal year 1993), and the ability of the Commerce Department to have in place the necessary processes and administrative structure to manage the volume of grant awards and evaluate the program's success. The following table depicts ATP program growth since its inception:

ADVANCED TECHNOLOGY PROGRAM
[In millions of dollars]

	Fiscal year—					
	1990	1991	1992	1993	1994	1995
Appropriated amount	10.0	35.9	47.4	67.9	199.5	431.0

As noted in the above table, this program has increased from \$67,880,000 in fiscal year 1993, to \$199,489,000 in fiscal year 1994, and to \$431,000,000 in fiscal year 1995—an increase of 535 percent over 2 years.

This rescission of \$107,000,000 does not eliminate the Advanced Technology Program in its entirety. Rather, this reduction will slow the rate of program growth to a still significant increase providing a revised fiscal year 1995 level of \$324,000,000—\$125,000,000 more than amounts available for fiscal year 1994. This amount will cover continuations of grants awarded in previous years, as well as commitments already made in fiscal year 1995 under new competitions. This reduced funding level will allow for a more thorough evaluation of whether the program can successfully accomplish its stated goals of expanding the commercialization of new technologies and stimulating U.S. economic growth. Given the funding increases required in other critical areas of the Federal budget, including the supplemental funding required by the Department of Defense and addressed in accompanying legislation, an increase of the magnitude as originally enacted for ATP simply cannot be sustained. Many of the considerations expressed in the report accompanying the companion legislation providing supplemental funding for the Department of Defense, regarding the rescission of funding under the Technology Reinvestment Program (TRP), are also relevant to the ATP program.

CHAPTER II

ENERGY AND WATER DEVELOPMENT

DEPARTMENT OF ENERGY

ATOMIC ENERGY DEFENSE ACTIVITIES

DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT

The Committee recommends a rescission of \$100,000,000 from funds appropriated for fiscal year 1995 and unobligated balances carried forward into fiscal year 1995. These reductions should be taken against those program activities which are not direct cleanup activities performed at Department of Energy sites.

CHAPTER III
FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED
AGENCIES

MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND

AFRICAN DEVELOPMENT FUND

The Committee takes note of the fact that the funds \$62,014,000 proposed for rescission are an advance payment for the seventh replenishment of the African Development Fund. According to a communication from an Assistant Secretary of the Treasury, dated February 2, 1995, it is unclear when the negotiations for the seventh replenishment will conclude, in large part because of the resistance of African members of the Fund to donor proposals to improve the Fund's credit policy and improve the quality of its loan portfolio.

Until these issues are resolved, the funds proposed for rescission are excess. They cannot be obligated by the Executive branch at this time.

As the Committee has provided more than \$2,000,000,000 in other international accounts for the nations of sub-Saharan Africa in 1995, and rescissions are needed to offset the costs of United States support for United Nations peacekeeping forces in Somalia, the Committee recommends that these excess funds be rescinded.

BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

AGENCY FOR INTERNATIONAL DEVELOPMENT

ASSISTANCE FOR THE NEW INDEPENDENT STATES OF THE FORMER
SOVIET UNION

RUSSIAN OFFICER RESETTLEMENT PROGRAM

The Committee has proposed a rescission of \$110,000,000 for this program.

The Committee believes that the Russian Officer Resettlement program represents an expensive and unnecessary commitment of U.S. funds in support of demobilized Russian military officers, particularly at a time when the U.S. military is suffering significant shortfalls in adequate housing for active duty American military personnel and their dependents and the overall readiness of our Nation's military (which this rescission bill is intended to help redress) is in question.

In April 1993 at the Vancouver Summit with President Yeltsin, President Clinton committed to support the construction of 450 housing units for Russian officers being demobilized from Baltic countries and elsewhere. The program was further enhanced by the

President at the Tokyo G-7 meeting in July 1993 when he announced a follow-on commitment of \$160,000,000 to provide an additional 5,000 house units for demobilized officers returning to Russia.

The Committee notes the following serious deficiencies in the program. First, since the fall of the Berlin Wall, nearly a half million Russian troops have returned to Russia from the former East Germany and the Baltic States. The current Administration program will (when completed) provide housing for *only 1 percent* of those returning Russian military personnel, hardly a significant contribution to the overall military resettlement situation in Russia. The Committee also notes that although funds for this program have been available since fiscal year 1994, a senior AID official recently stated that, as of December 31, 1994, only \$9,000,000 had been spent.

Second, the Committee notes that a key justification for the program at the time of its inception was that insufficient housing existed in Russia to accommodate returning military personnel. The Committee notes that presently AID plans to provide half of the 5,000 units through use of a voucher program in which Russian officers will use U.S. funds to purchase *existing, unoccupied housing* in Russia.

Finally, the Agency for International Development administers this program as the central element of its Housing Sector Reform program which is designed to develop a market oriented housing sector in the NIS. The Committee seriously questions whether a program which utilizes U.S. Government funds to build or purchase housing in Russia contributes in any way to the private sector reform objectives of the Housing Sector Reform program, a worthy AID initiative which the Committee supports.

CHAPTER IV

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES

DEPARTMENT OF ENERGY

CLEAN COAL TECHNOLOGY

The Committee recommends a rescission of \$200,000,000 of the \$2,750,000,000 that has been appropriated for the Clean Coal Technology program. The rescission includes \$50,000,000 in funding which is available for obligation in fiscal year 1996 and \$150,000,000 which is available for obligation in fiscal year 1997. The Committee recommends this rescission with the anticipation that not all of the current clean coal projects will be deemed to be economically feasible and that some projects will be abandoned prior to completion. The Committee expects the Department of Energy to honor its contractual commitments to those projects which are in process and are economically viable. This rescission is not directed against any particular projects or any particular "rounds" of the clean coal program. Excess funds available from individual projects should be realigned as needed to ensure successful completion of ongoing clean coal projects.

CHAPTER V

DEPARTMENTS OF LABOR, HEALTH AND HUMAN
SERVICES, EDUCATION, AND RELATED AGENCIES

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

TRAINING AND EMPLOYMENT SERVICES

The Committee recommends a rescission of \$200,000,000 appropriated in Public Law 103-333 for the Youth Job Training program authorized by title II, part C of the Job Training Partnership Act. The FY 1995 appropriation for this program was \$598,682,000; the funds are not available for obligation until July 1, 1995. The rescission recommended by the Committee represents about a one-third reduction in the program.

There appears to be little evidence that this program is successfully preparing people for the future job market. The Department recently published a comprehensive review of the economic impacts of employment and training programs entitled *What's Working and What's Not*. This review contained several discouraging conclusions concerning this program. It was noted that short-term skills training has "been found to be unsuccessful in raising youth employment or earnings" and that "it does not appear that JTPA youth training has significant positive impacts." It also noted that subsidized work experience for disadvantaged youth "has generally not had long-term positive effects on employment or earnings." The Committee further notes that the President has proposed to reduce this program by \$310,000,000 (minus 52 percent) in his FY 1996 budget.

DEPARTMENT OF EDUCATION

SCHOOL IMPROVEMENT PROGRAMS

The Committee recommends a rescission in this account of \$100,000,000 for FY 1995 as requested by the administration. This will eliminate funding for a new education infrastructure grant program that was initially funded in the FY 1995 appropriations bill.

The education infrastructure program is designed to provide funds for the repair, renovation, and construction of local public elementary and secondary school buildings. The President requested no funding for this program in his budget for FY 1995. The Committee believes that this activity is not a primary function of the Federal Government. Local school construction should be paid for by local taxpayers.

CHAPTER VI

DEPARTMENT OF TRANSPORTATION AND RELATED
AGENCIES

DEPARTMENT OF TRANSPORTATION

FEDERAL RAILROAD ADMINISTRATION

LOCAL RAIL FREIGHT ASSISTANCE

The bill rescinds \$13,126,000 in unobligated balances from the Local Rail Freight Assistance program. The President's budget requests a rescission of FY 1995 funds and no funds for this program in FY 1996.

PENNSYLVANIA STATION REDEVELOPMENT PROJECT

The bill rescinds \$40,000,000 for the Pennsylvania Station Redevelopment Project. An appropriation of \$40,000,000 was made available in Public Law 103-331 contingent on authorization. No enabling legislation has been enacted for FY 1995.

CHAPTER VII

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND
URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES

INDEPENDENT AGENCIES

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

NATIONAL AERONAUTICAL FACILITIES

The Committee is recommending a rescission of \$400,000,000 which was appropriated in FY 1995 for construction of wind tunnels. The FY 1995 appropriation of \$400,000,000 for the construction of two new aeronautical wind tunnel facilities was contingent upon the budget request for FY 1996 including an additional \$400,000,000 and receipt of a report by March 1, 1995, detailing a comprehensive plan and strategy for aeronautical wind tunnels. While the President's budget received on February 6, 1995, does include proposed supplemental language which would extend the availability of this funding beyond July 15, 1995, it does not contain a request for additional funding as required by Public Law 103-327. Accordingly, the Committee has no assurance that these funds will be augmented as required and therefore recommends the rescission.

CHANGES IN THE APPLICATION OF EXISTING LAW

Pursuant to clause 3 of rule XXI of the House of Representatives, the following statements are submitted describing the effect of provisions in the accompanying bill which directly or indirectly change the application of existing law.

Language is included under the Department of Energy, Clean Coal Technology, which provides for realigning funding among

clean coal projects without regard to the separate requests for proposal under which projects were originally selected.

RESCISSIONS

Pursuant to clause 1(b) of rule X of the House of Representatives, the following table is submitted describing the rescissions recommended in the accompanying bill:

RESCISSIONS RECOMMENDED IN THE BILL

Department or activity (⁽¹⁾)	Recommended in the bill (⁽²⁾)
FY 1995 RESCISSIONS BILL	
CHAPTER I	
DEPARTMENT OF JUSTICE	
Immigration and Naturalization Service	
Immigration Emergency Fund	– \$70,000,000
DEPARTMENT OF COMMERCE	
National Institute of Standards and Technology	
Industrial technology services	– 107,000,000
Total, Chapter I: Rescissions	– 177,000,000
CHAPTER II	
DEPARTMENT OF ENERGY	
Atomic Energy Defense Activities:	
Defense Environmental Restoration and Waste Management: Operating expenses	– 100,000,000
Total, Chapter II: Rescissions	– 100,000,000
CHAPTER III	
MULTILATERAL ECONOMIC ASSISTANCE	
International Financial Institutions	
Contribution to the African Development Bank: Paid-in capital	– 62,014,000
BILATERAL ECONOMIC ASSISTANCE	
Agency for International Development	
Assistance for the New Independent States of the Soviet Union	– 110,000,000
Total, Chapter III: Rescissions	– 172,014,000
CHAPTER IV	
RELATED AGENCIES	
DEPARTMENT OF ENERGY	
Clean coal technology	– 200,000,000
Total, Chapter IV: Rescissions	– 200,000,000
CHAPTER V	
DEPARTMENT OF LABOR	
Employment and Training Administration	
Training and employment services	– 200,000,000
DEPARTMENT OF EDUCATION	
School improvement programs	– 100,000,000
Total, Chapter V: Rescissions	– 300,000,000

RESCISSIONS RECOMMENDED IN THE BILL—Continued

Department or activity (⁽¹⁾)	Recommended in the bill (⁽²⁾)
CHAPTER VI	
DEPARTMENT OF TRANSPORTATION	
Federal Railroad Administration	
Local rail freight assistance	– 13,126,000
Grants to the National Railroad Passenger Corporation: Pennsylvania station redevelopment project	– 40,000,000
Total, Federal Railroad Administration	– 53,126,000
Total, Chapter VI: Rescissions	– 53,126,000
CHAPTER VII	
INDEPENDENT AGENCIES	
National Aeronautics and Space Administration	
National aeronautics facilities	– 400,000,000
Total, Chapter VII: Rescissions	– 400,000,000
Grand total: Rescissions	– 1,402,140,000

COMPARISON WITH BUDGET RESOLUTION

Section 308(a)(1)(A) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344), as amended, requires that the report accompanying a bill providing new budget authority contain a statement detailing how that authority compares with the reports submitted under section 602 of the Act for the most recently agreed to concurrent resolution on the budget for the fiscal year. All funds provided in this bill are either offset herein or are within the remaining budget authority limits of the Committee's allocations.

The bill provides no new spending authority as described in section 401(c)(2) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344), as amended.

FIVE-YEAR OUTLAY PROJECTIONS

In compliance with section 308(a)(1)(C) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344), as amended, the following table contains 5-year projections associated with the budget authority provided in the accompanying bill:

[In thousands]	
Budget Authority	– \$1,402,140
Outlays:	
Fiscal Year 1995	– 112,138
Fiscal Year 1996	– 385,529
Fiscal Year 1997	– 131,383
Fiscal Year 1998	– 50,753
Fiscal Year 1999 and future years	– 26,063

ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

In accordance with section 308(a)(1)(C) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–

344), as amended, the financial assistance to State and local governments is as follows:

	[In thousands]	
New budget authority		— \$267,726
Fiscal year 1995 outlays resulting therefrom		— 19,970

INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(l)(4) of rule XI of the House of Representatives, the Committee estimates that enactment of this bill would have no overall inflationary impact on prices and costs in the operation of the national economy.

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY ESTIMATES AND AMOUNTS
RECOMMENDED IN THE BILL**

H. Doc.	Department or activity (1)	Budget estimates (2)	Recommended in the bill (3)	Bill compared with estimates (4)
	FY 1995 RESCISSION BILL			
	CHAPTER I			
	DEPARTMENT OF JUSTICE			
	Immigration and Naturalization Service			
	Immigration Emergency Fund		-70,000,000	-70,000,000
	DEPARTMENT OF COMMERCE			
	National Institute of Standards and Technology			
	Industrial technology services		-107,000,000	-107,000,000
	Total, Chapter I:			
	Rescissions		-177,000,000	-177,000,000
	CHAPTER II			
	DEPARTMENT OF ENERGY			
	Atomic Energy Defense Activities:			
	Defense Environmental Restoration and Waste Management		-100,000,000	-100,000,000
	Total, Chapter II:			
	Rescissions		-100,000,000	-100,000,000

CHAPTER III			
MULTILATERAL ECONOMIC ASSISTANCE			
International Financial Institutions			
Contribution to the African Development Bank:			
Paid-in capital	-62,014,000	-62,014,000	-62,014,000
BILATERAL ECONOMIC ASSISTANCE			
Agency for International Development			
Assistance for the New Independent States of the			
Soviet Union	-110,000,000	-110,000,000	-110,000,000
Total, Chapter III:			
Rescissions	-172,014,000	-172,014,000	-172,014,000
CHAPTER IV			
RELATED AGENCIES			
DEPARTMENT OF ENERGY			
Clean coal technology	-200,000,000	-200,000,000	-200,000,000
Total, Chapter IV:			
Rescissions	-200,000,000	-200,000,000	-200,000,000
CHAPTER V			
DEPARTMENT OF LABOR			
Employment and Training Administration			
Training and employment services	-200,000,000	-200,000,000	-200,000,000

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY ESTIMATES AND AMOUNTS
RECOMMENDED IN THE BILL—Continued**

H. Doc.	Department or activity (1)	Budget estimates (2)	Recommended in the bill (3)	Bill compared with estimates (4)
	DEPARTMENT OF EDUCATION			
103-28	School improvement programs.....	-138,084,000	-100,000,000	+ 38,084,000
	Total, Chapter V:			
	Rescissions.....	-138,084,000	-300,000,000	-161,916,000
	CHAPTER VI			
	DEPARTMENT OF TRANSPORTATION			
	Federal Railroad Administration			
103-28	Local rail freight assistance.....	-13,216,371	-13,126,000	+ 90,371
	Grants to the National Railroad Passenger Corporation:			
	Pennsylvania station redevelopment project.....		-40,000,000	-40,000,000
	Total, Federal Railroad Administration.....	-13,216,371	-53,126,000	-39,909,629
	Total, Chapter VI:			
	Rescissions.....	-13,216,371	-53,126,000	-39,909,629

CHAPTER VII			
INDEPENDENT AGENCIES			
National Aeronautics and Space Administration			
National aeronautics facilities.....			-400,000,000
Total, Chapter VII:			
Rescissions.....			-400,000,000
Grand total:			
Rescissions.....	-151,300,371	-1,402,140,000	-1,250,839,629

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